

HOUSE BILL 3480
By McMillan

AN ACT to amend Tennessee Code
Annotated, Title 67, Chapter
4 and Chapter 6, relative to
taxation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-4-1708, is amended by deleting subsection (c) in its entirety.

SECTION 2. Tennessee Code Annotated, Section 67-6-103(a), is amended by deleting from subdivision (1) the language "Twenty-nine and forty-three hundred seventy-nine ten-thousandths percent (29.4379%)" and substituting instead the language "Twenty-nine and thirty-seven hundred nine ten-thousandths percent (29.3709%)".

SECTION 3. Tennessee Code Annotated, Section 67-6-710(f), is amended by deleting subdivision (3) in its entirety.

SECTION 4. Tennessee Code Annotated, Section 67-6-221, is amended by adding the following as a new subsection:

() Before making the distribution to counties and incorporated municipalities from taxes authorized by subsection (a), nine percent (9%) of the amount otherwise allocated to cities and counties shall be transmitted to the state general fund.

SECTION 5. Tennessee Code Annotated, Section 67-4-702(a), is amended by adding the following as a new subdivision:

() "Affiliated business entity" means a business entity in which the taxpayer, directly or indirectly, has more than fifty percent (50%) ownership interest or a business entity that, directly or indirectly, has more than fifty percent (50%) ownership interest in the taxpayer.

SECTION 6. Tennessee Code Annotated, Section 67-4-702(a) is amended by deleting subdivision (18) in its entirety and substituting instead the following:

(18) “Services” means and includes every activity, function or work engaged in by a person for profit or monetary gain except as otherwise provided in this part.

Services for profit or monetary gain does not include services rendered by a person for an affiliated business entity, provided that the services are accounted for as allocations of cost incurred in providing the service without any markup whatsoever. “Services” does not include sales of tangible personal property.

SECTION 7. The provisions of this act shall take effect upon becoming a law, the public welfare requiring it